

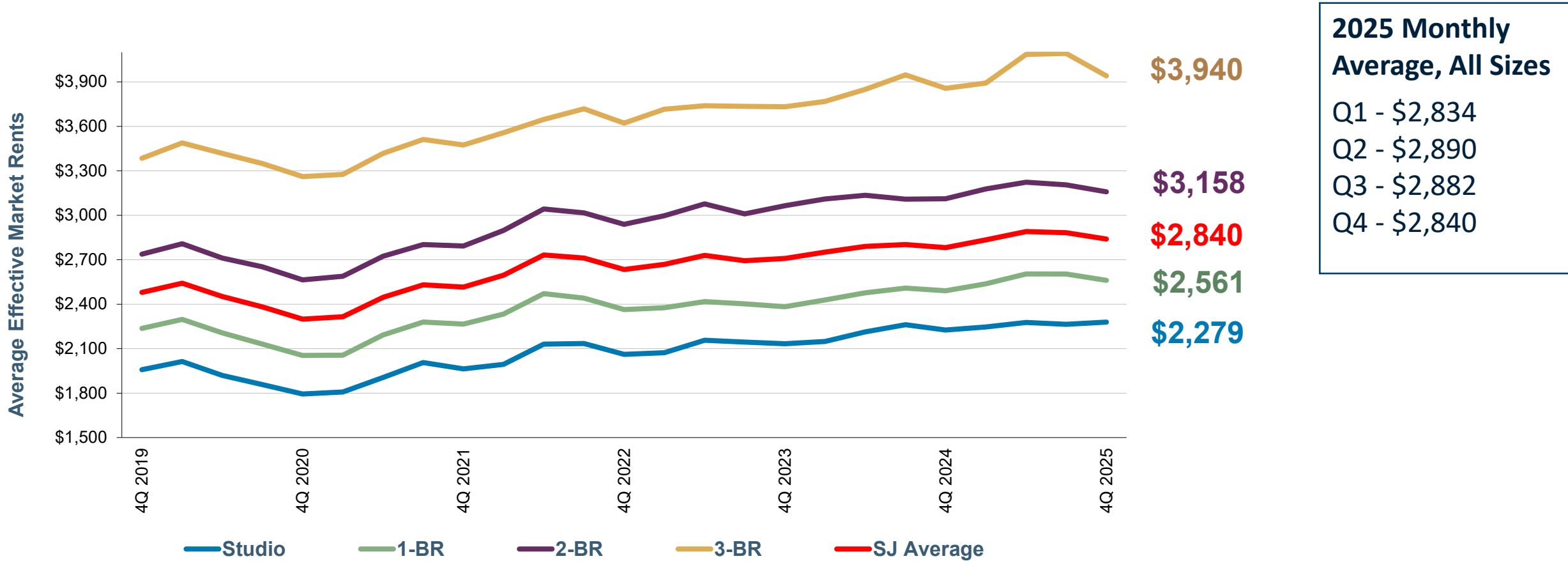


DEPARTMENT OF HOUSING

SAN JOSÉ HOUSING MARKET UPDATE Q4 2025 + YEAR IN REVIEW

Q4 Average Apartment Monthly Rent

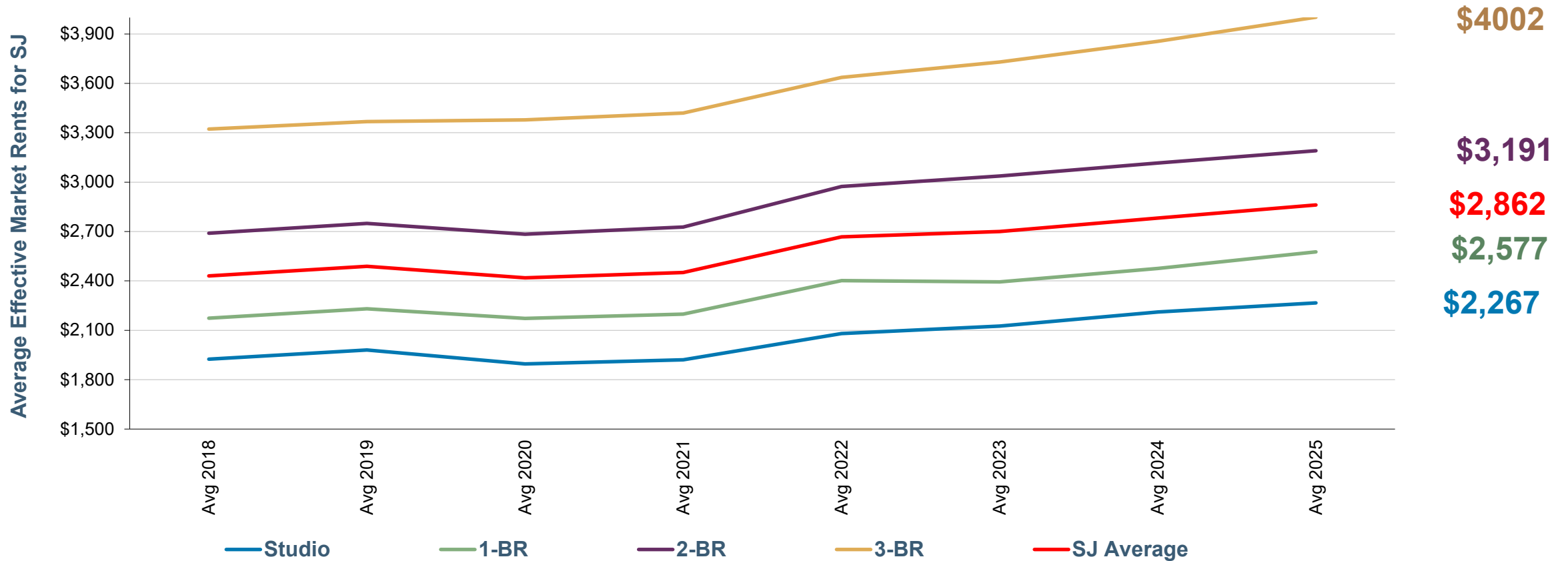
All Sizes = \$2,840 – ↓ 1.5% QoQ



Notes: Acronyms used - QoQ for Quarter over Quarter.
Source: Costar 1/2/26

2025 Average Apartment Rent All Sizes

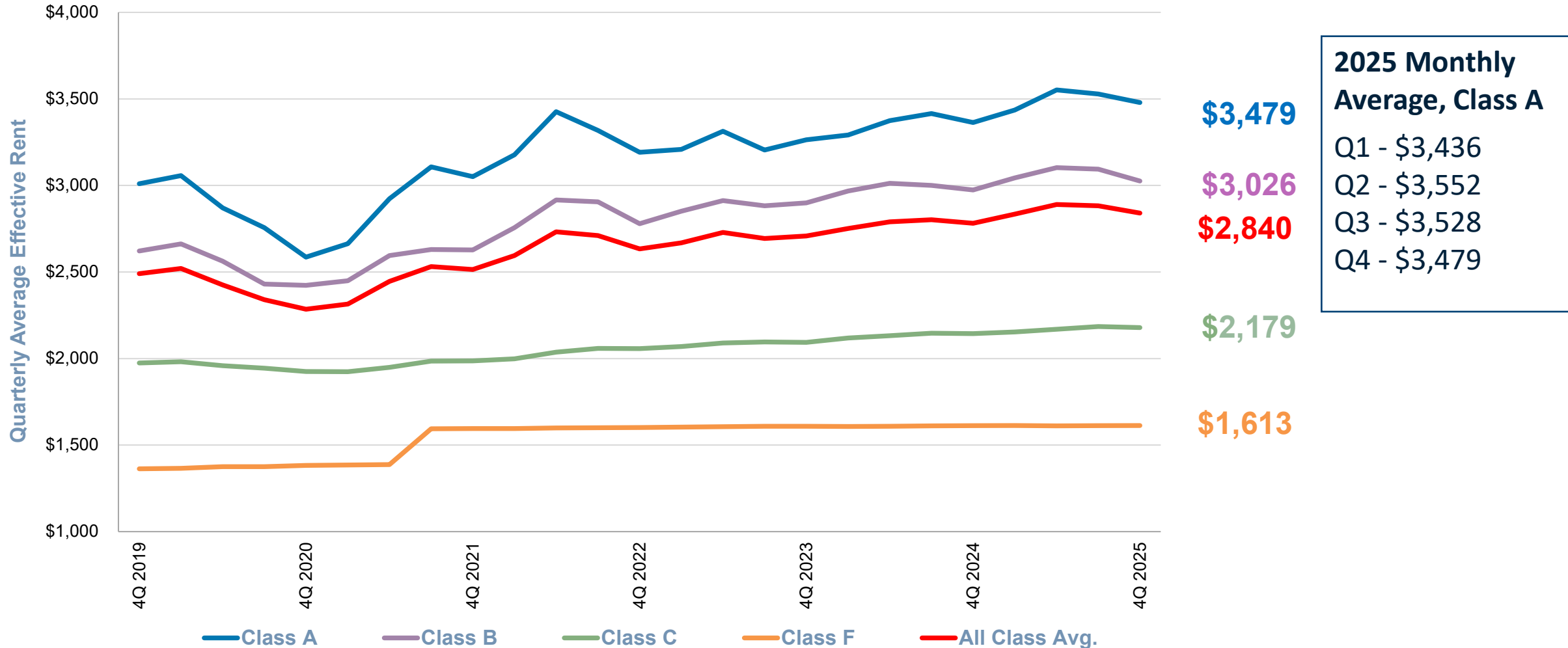
\$2,862 – ↑ 2.9% YoY at the Rate of Inflation



Notes: Acronyms used - YoY for Year over Year.
Source: Costar 1/2/26 – yearly data calculated as average of 4 quarters data

Q4 Apartment Rents by Class – Class A Rents

\$3,479 – ↓ 1.4% QoQ



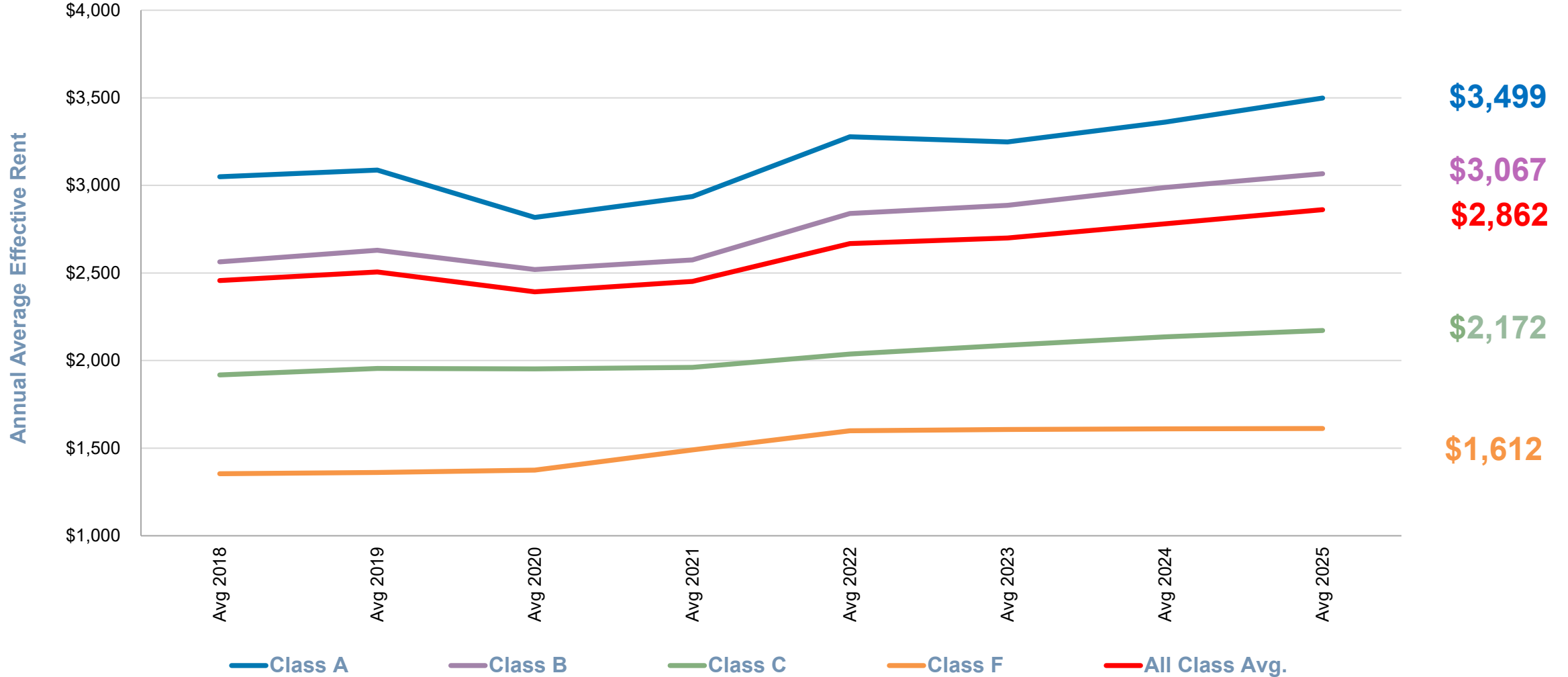
Notes: Acronyms used - QoQ for Quarter over Quarter.

Class A are newest and highest quality buildings while Class F are oldest and poorest quality buildings. For Costar Class definitions, please see last slide.

Source: Costar 1/2/26.

2025 Apartment Rents by Class – Class A

Rents \$3,499 – ↑ 4% YoY

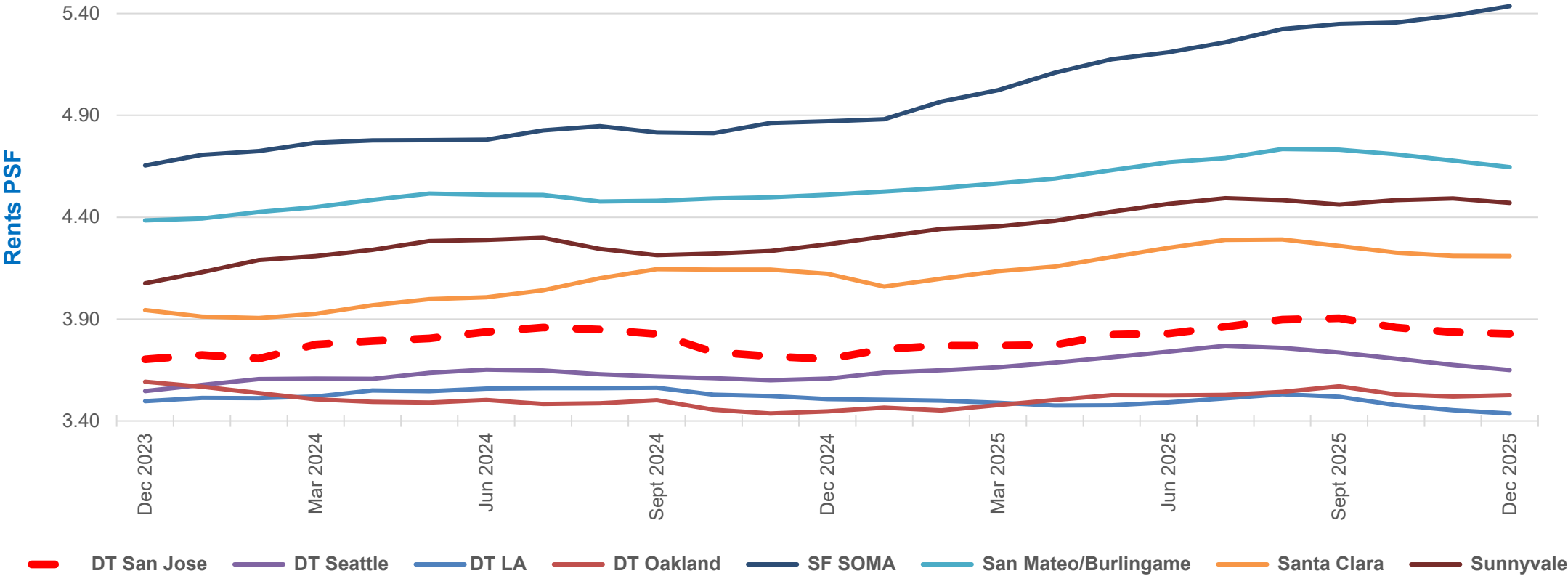


Notes: Acronyms used YoY for Year over Year..

Class A are newest and highest quality buildings while Class F are oldest and poorest quality buildings. For Costar Class definitions, please see last slide.

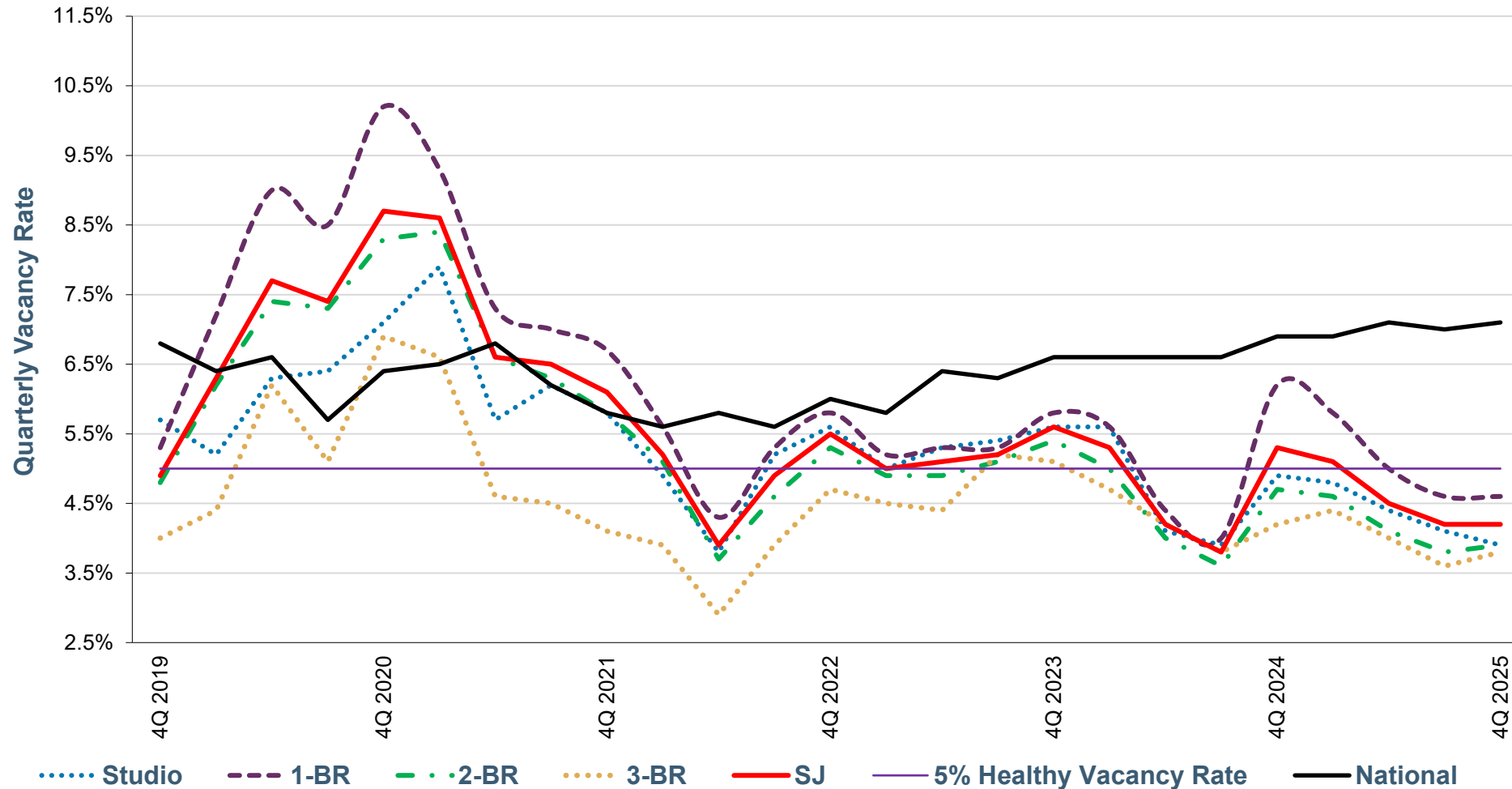
Source: Costar 1/2/26 – yearly data calculated as average of 4 quarters data.

Average Rents for Class A Properties in Downtown SJ \$3.83 PSF – ↓ 1.8% QoQ



Notes: Acronyms used :PSF for Per Square Foot, MF for Multifamily, QoQ for Quarter over Quarter, LA for Los Angeles, SF SOMA for San Francisco South of Market; Quarterly data reflects data from the last month of the quarter (Ex Q3 = Sept data, Q2 = June data).
 Source: Costar 1/2/26.

Q4 Average Apartment Vacancies All Sizes – 4.2% – Unchanged QoQ

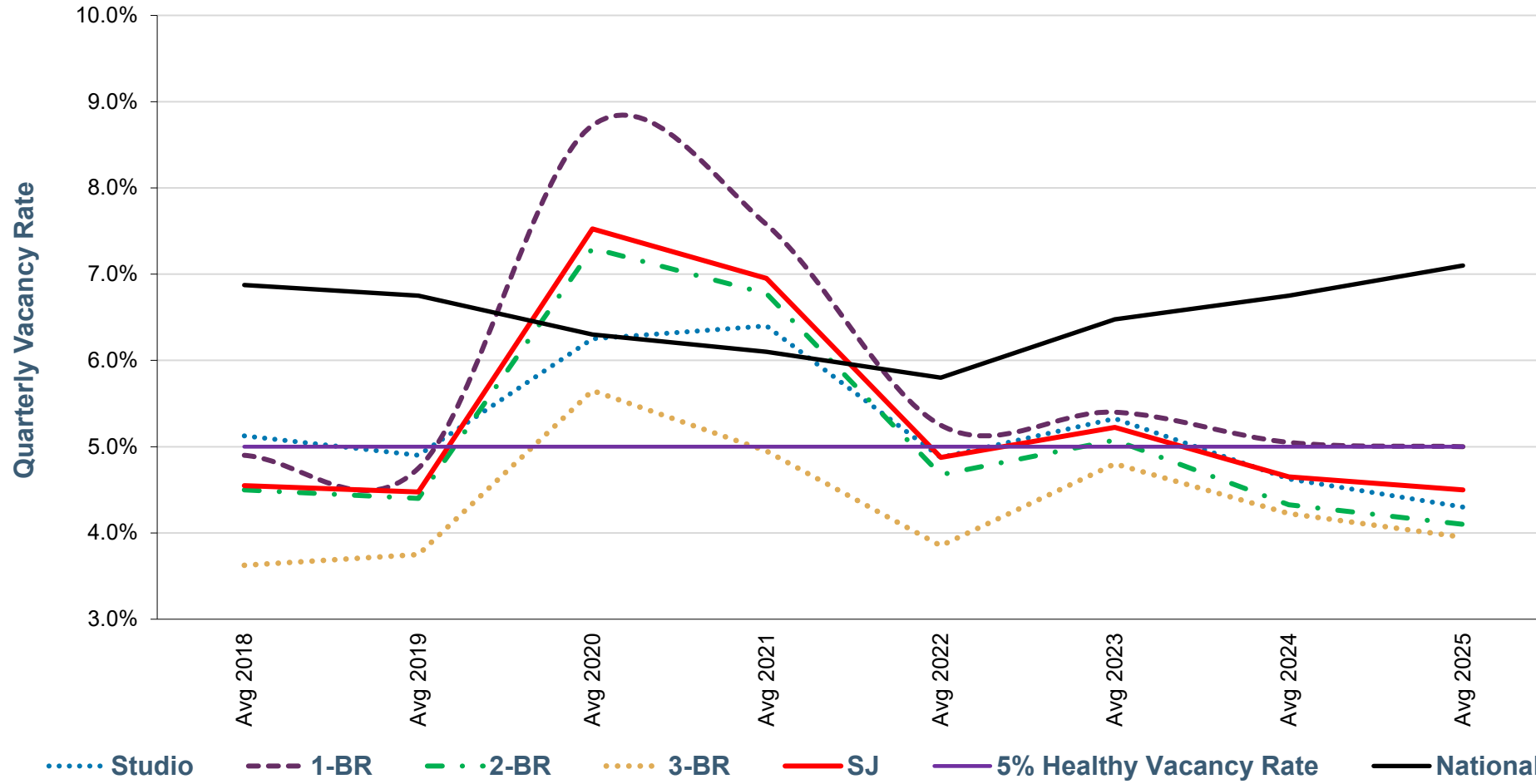


Q4 2025
Vacancy Rates
Studio – 3.9%
1-BR – 4.6%
2-BR – 3.9%
3-BR – 3.8%
SJ Average – 4.2%
CA Average – 5.2%
US Average – 7.2%

Sources: Costar 1/2/26; US Average from US Census Bureau [Census.gov Housing Vacancies and Homeownership data](https://www.census.gov/housing/hvacancies/);

2025 Average Apartment Vacancies All Sizes

4.5% – ↓ from 4.7% YoY

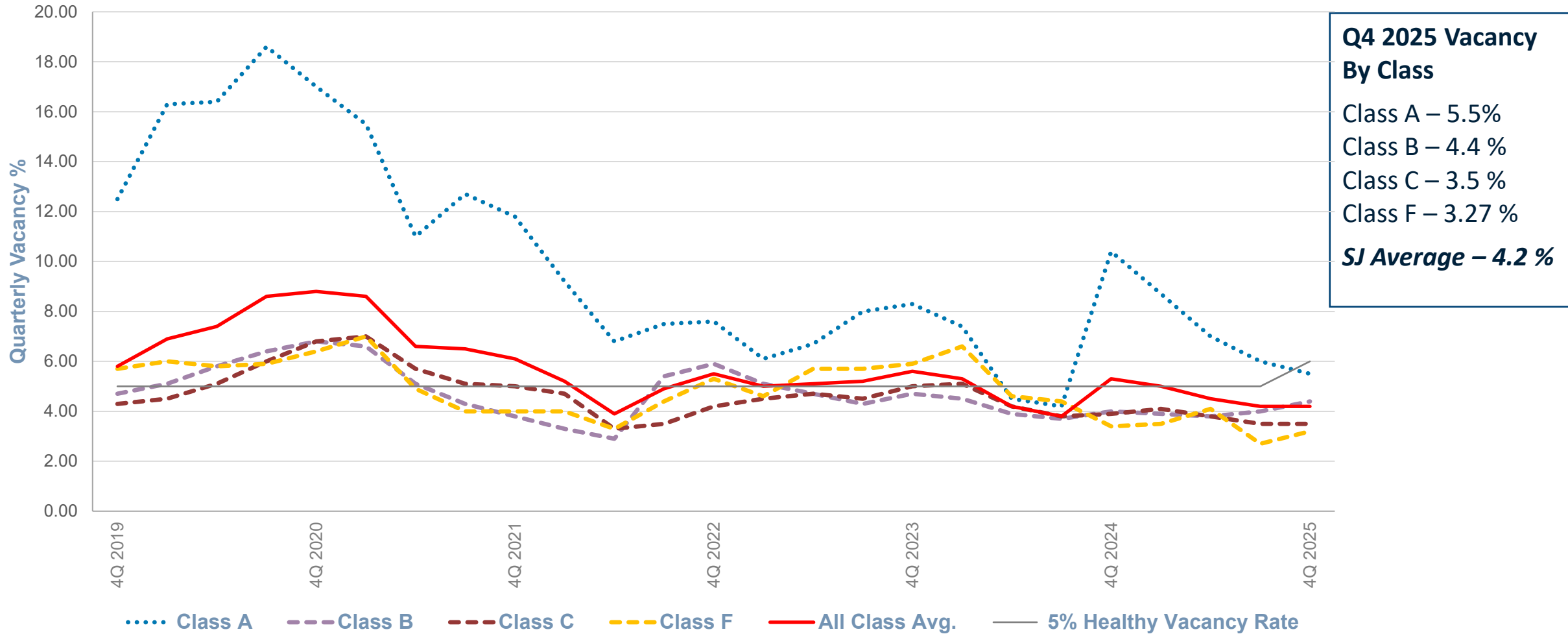


2025
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Studio – 3.9%
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SJ Average – 4.5%
CA Average – 5.2%
US Average – 7.1%

Sources: Costar 1/2/26 – yearly data calculated as average of 4 quarters data.; US Average from US Census Bureau [Census.gov Housing Vacancies and Homeownership data](https://www.census.gov/housing/hvacancies/).

Q4 Apartment Vacancies by Class – Class A

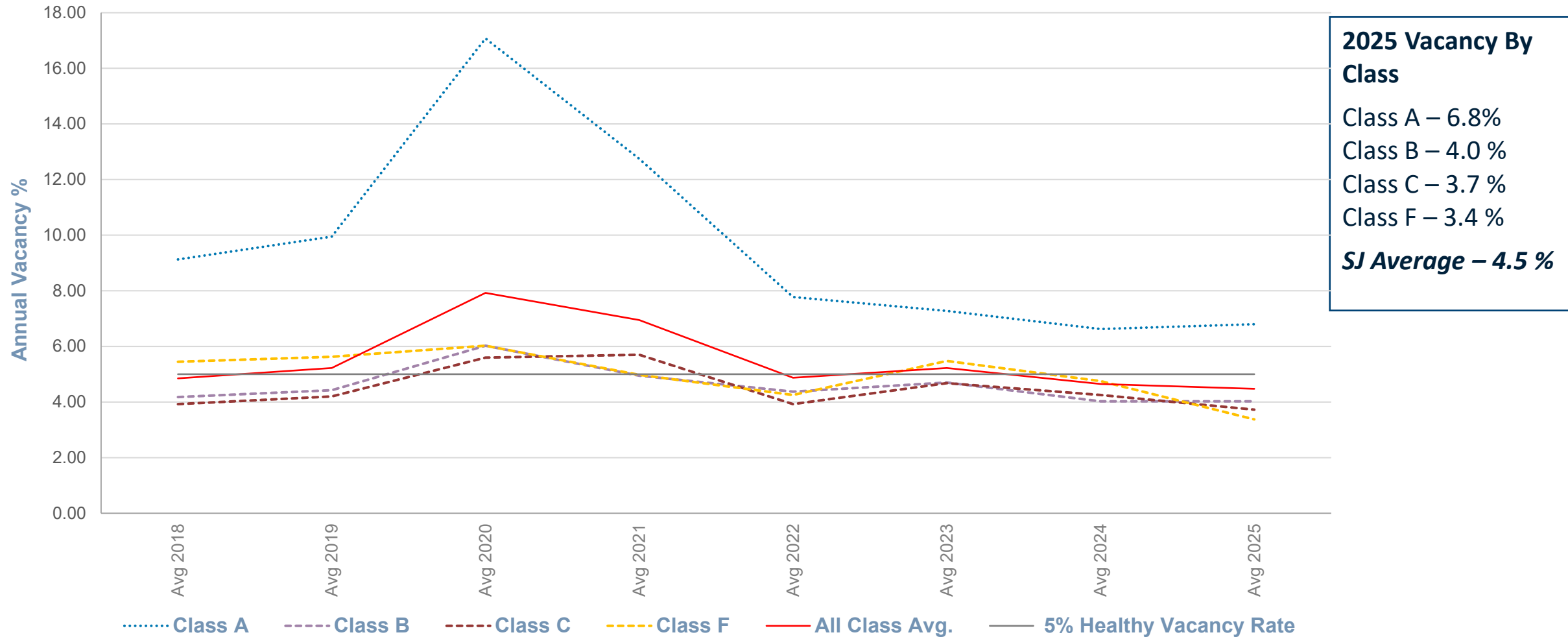
5.5% – ↓ from 6% in Q3 2025



Notes: Class A are newest and highest quality buildings while Class F are oldest and poorest quality buildings. For Costar Class definitions, please see last slide.
Source: Costar 1/2/26.

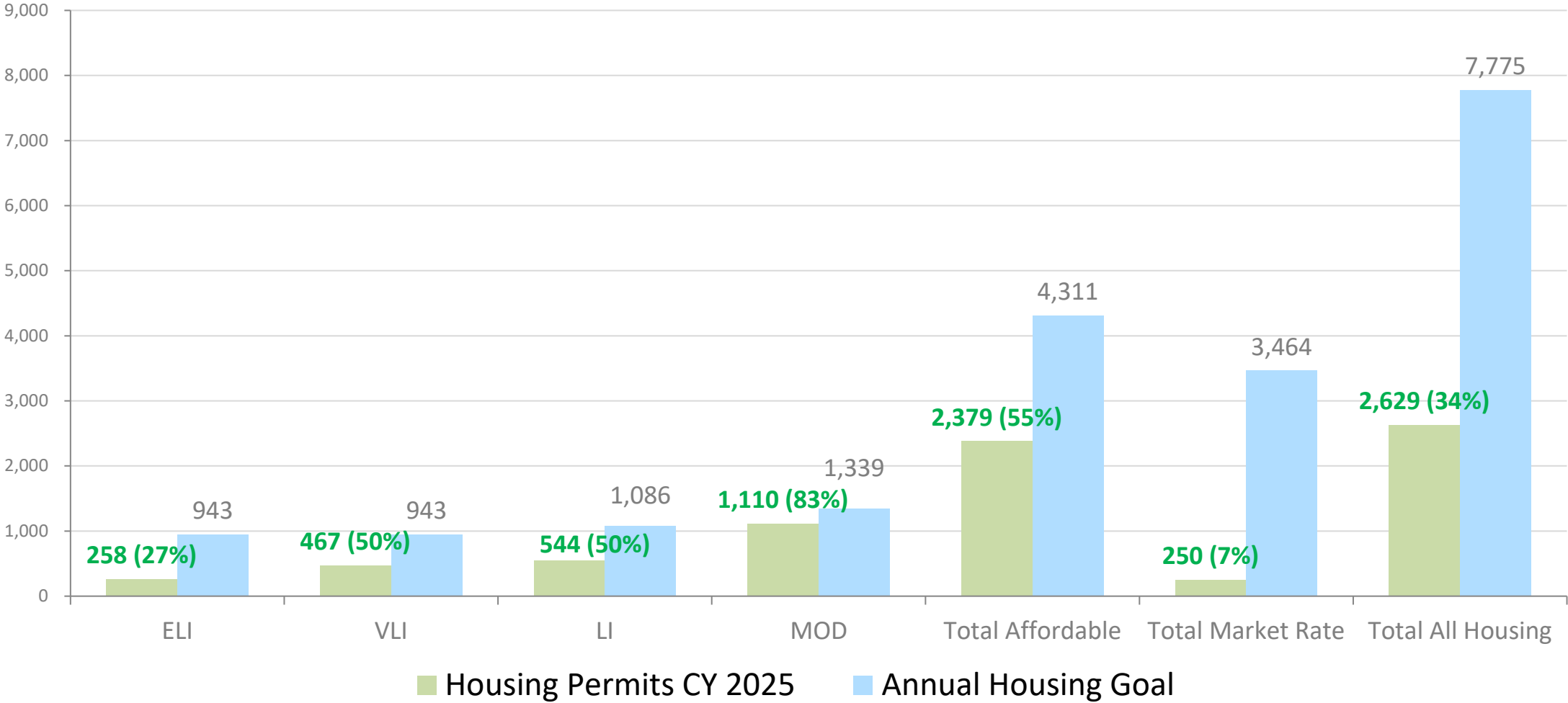
2025 Apartment Vacancies by Class

Class A 6.8% – ↑ from 6.6% in 2024



Notes: Class A are newest and highest quality buildings while Class F are oldest and poorest quality buildings. For Costar Class definitions, please see last slide.
Source: Costar 1/2/26 – yearly data calculated as average of 4 quarters data.

2025 San José RHNA Performance – Building Permits Issued **34%** of RHNA Goal



RHNA refers to the Regional Housing Needs Allocation assigned to the City by the Association of Bay Area Governors (ABAG), annual goal determined by the 8-year RHNA cycle total goal of 62,200 units

San José Affordable Rent Limits vs. Market Rents – One-Bedroom



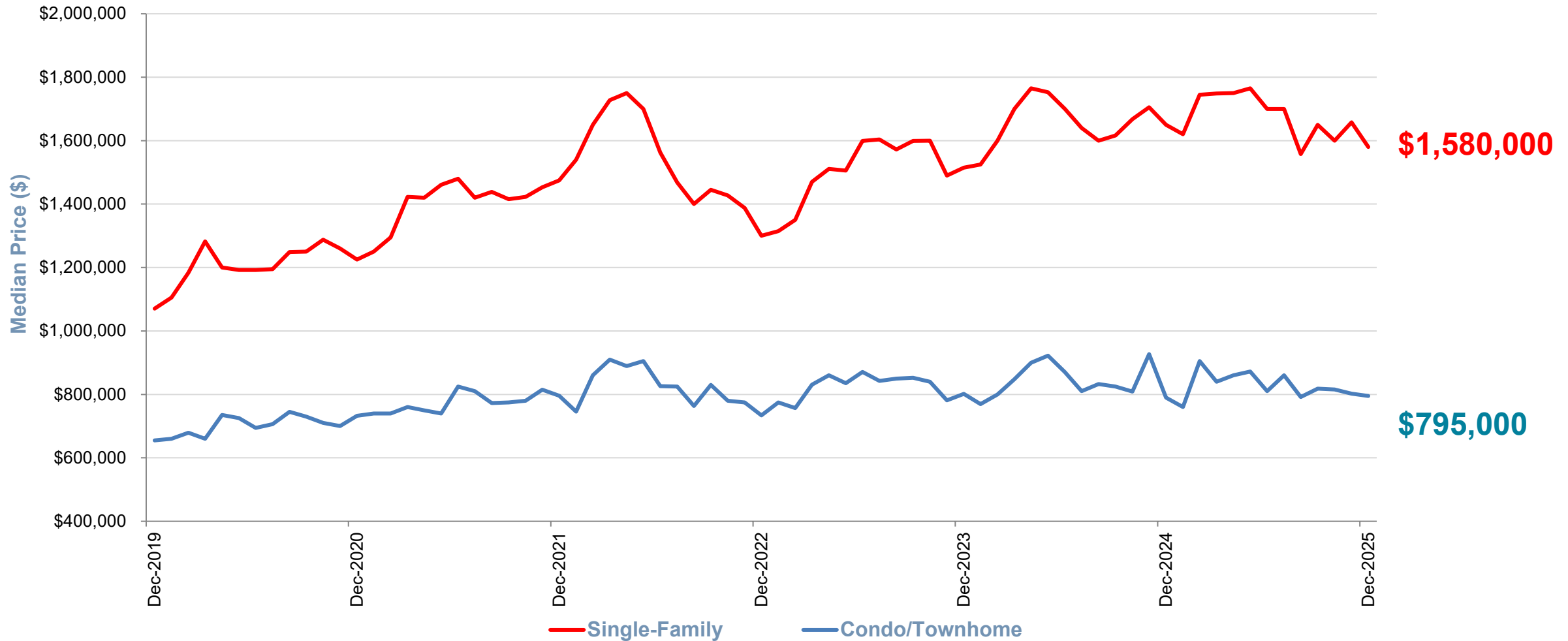
Sources: [CSJ Rent Limits](#), CSJ Rent Limits have an occupancy assumption of 1 Person/Bedroom + 1; Tax credit occupancy assumption is 1.5 persons /Bedroom; Costar -1/2/26.

San José Affordable Rent Limits vs. Market Rents – Two-Bedroom



Sources: [CSJ Rent Limits](#), CSJ Rent Limits have an occupancy assumption of 1 Person/Bedroom + 1; Tax credit occupancy assumption is 1.5 persons /Bedroom; Costar -1/2/26.

Q4 Single-Family Home Median Price ↓ 4.2%, Townhome Median Price ↓ 2.8% QoQ

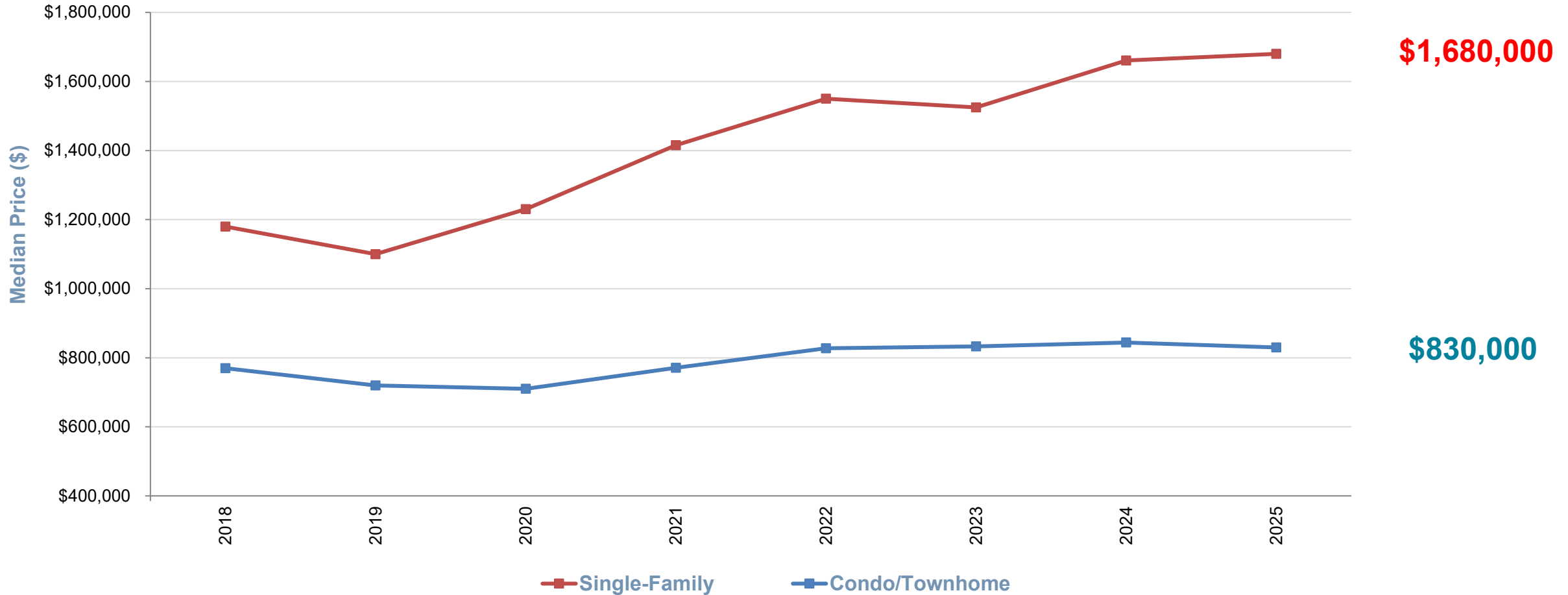


Note: Acronyms used: QoQ is quarter over quarter. Quarterly data reflects data from the last month of the quarter (Ex Q3 = Sept data, Q2 = June data).

Source: [Santa Clara County Association of Realtors](https://www.sccra.com/)

2025 Single-Family Home Median Price \uparrow 1.2%

Townhome Median Price \downarrow 1.7% YoY

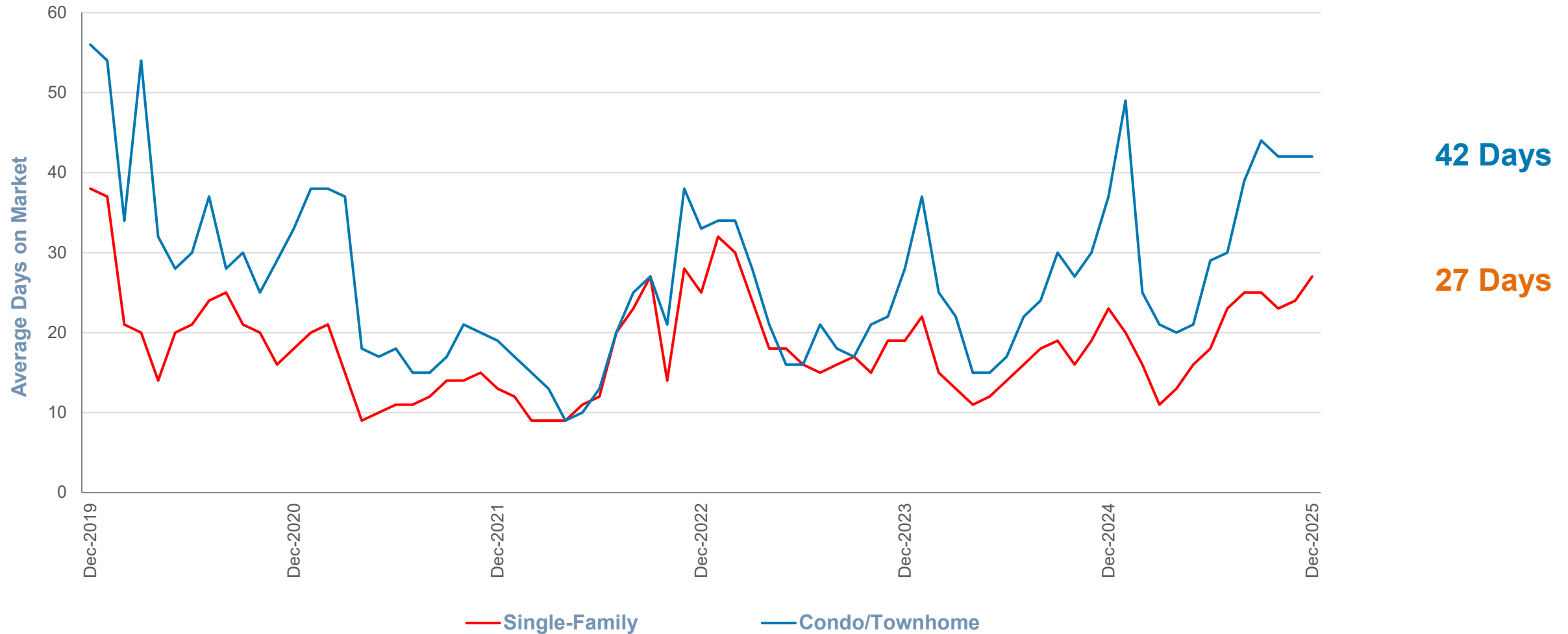


Note: Acronyms used: YoY is year over year.

Source: [Santa Clara County Association of Realtors](#)

Q4 Days on Market: Single Family Homes

↑ 2 Days | Townhomes ↓ 2 Days, QoQ

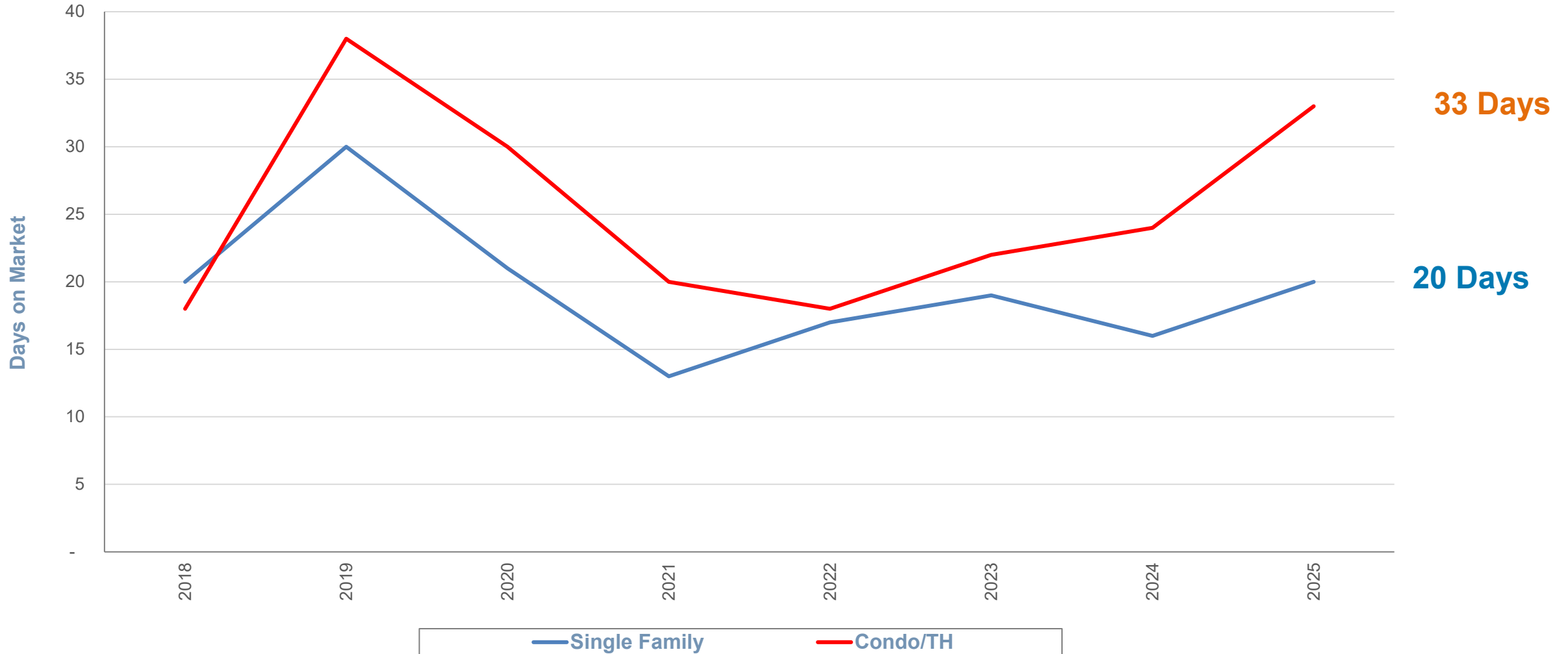


Note: Acronyms used: QoQ is quarter over quarter. Quarterly data reflects data from the last month of the quarter (Ex. Q3 = Sep. data, Q2 = June data).

Source: [Santa Clara County Association of Realtors](#).

2025 Days on Market: Single Family Homes

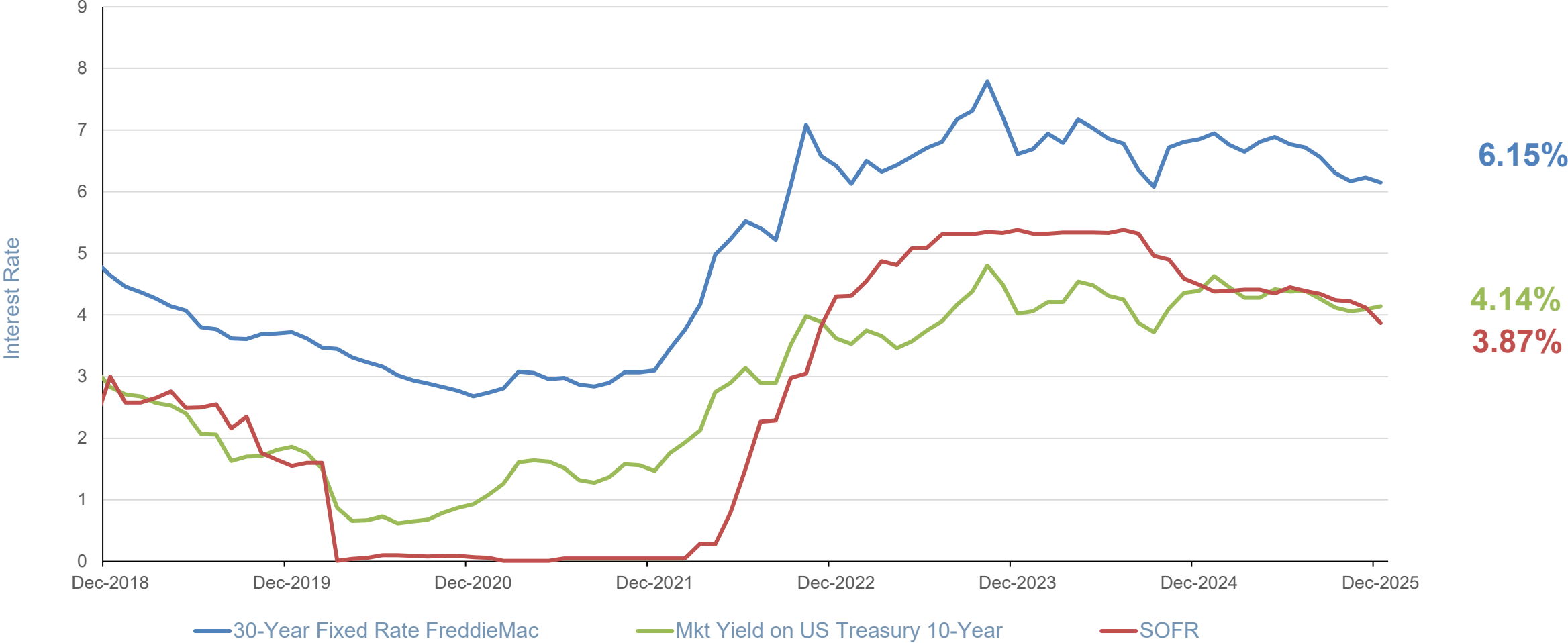
↑ 4 Days | Townhomes ↑ 9 Days, YoY



Note: Acronyms used: YoY is year over year.

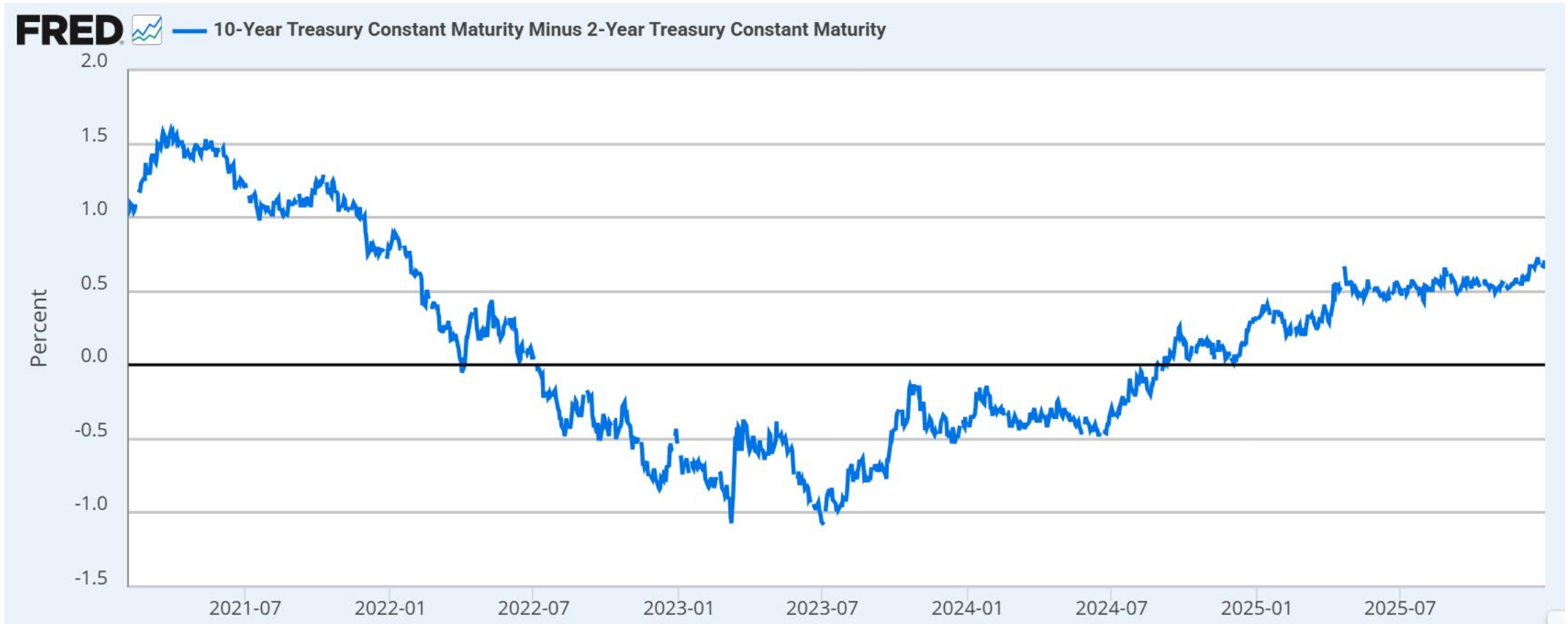
Source: [Santa Clara County Association of Realtors](#).

30-Year Fixed Rate: 6.15% ↓ from 6.3% QoQ



Sources: 30-Yr Fixed Rate from [Freddie Mac Primary Mortgage Market Survey](#); 10-Year US Treasury Yield (most frequently referred to Treasury Rate) from [Federal Reserve](#); SOFR – Secured Overnight Financing Rate from [Federal Reserve Bank of NY](#)

Yield Spread – Treasury Bills, 10-Yr vs. 2-Yr



Source: [10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity \(T10Y2Y\)](#) | FRED | St. Louis Fed

Source and Definition

Quarterly rents and vacancy data reflect *average, effective, market-rate apartment rents* for the geography encompassing the City of San José as reported in CoStar’s proprietary database.

Effective rent is the average rent paid over the term by a tenant that is adjusted downward for concessions paid for by the landlord (such as free rent, moving expenses, or other allowances), and upward for costs that are the responsibility of the tenant (such as operating expense pass-throughs).

CoStar Building Class Definitions: Class A refers to extremely desirable investment-grade property with the highest quality construction and workmanship. Class B offers more utilitarian space without the abundant amenities and location that a Class A building will have. Class C refers to a no-frills, older building that offers basic space. Class F buildings will usually have physical or structural features that render them undesirable.

- CoStar updates rental data once a month for apartments with more than 30 units and once a quarter for apartments with fewer than 30 units.
- For questions, please email the Housing Department’s Policy Team at HSG-Policy@sanjoseca.gov